

# Own your narrative: Five tools for authentic ESG storytelling



Companies are under pressure to increase transparency around environmental, social and governance issues (ESG). Climate change especially is changing the way investors think about disclosure and materiality. Most now agree there is a direct link between climate change and financial risk.

Failure to tell an effective ESG story and avoid shareholder proposals can impact capital access and the ability to attract new investors—which is why 90 percent of the largest companies now publish sustainability reports.

But ESG storytelling goes beyond investor relations. Social media-driven consumer activists have put companies under public scrutiny for their human capital management, climate impact, political

contributions and corporate diversity. Likewise, employees are pushing leadership to adopt their values and interests.

ESG impacts talent, brand perception and long-term customer loyalty. Authenticity matters, so your ESG story needs to align with the values your company represents.

**It's time to own your narrative.**



## 1 Choose a framework to adapt and build on

With so many different standards, frameworks, and ratings agencies, ESG disclosure can be confusing. All of the acronyms make it feel like alphabet soup. But these frameworks should only inform your storytelling.

Authenticity requires reviewing standards to see what others believe matters, then adapting a framework to your unique organization. Existing standards are not the end, but merely the means to tell your story. While there are multiple prominent ESG frameworks, U.S. investors have gravitated towards three:

1 Sustainability Accounting Standards Board (SASB)

2 Global Disclosure System of Environmental Reporting (CDP)

3 Task Force on Climate-Related Financial Disclosure (TCFD)



EXPLORE FRAMEWORKS



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A GOOD PLACE TO START

## Industry-specific standards

Three frameworks are particularly favored by large, influential institutional investors. We recommend them for companies just beginning their ESG journey.

### **Sustainability Accounting Standards Board (SASB) >>**

SASB is based on the concept of financial relevance and covers by industry the areas that may be most material to your business. Industry segmentation makes it easy to focus on the criteria most relevant to your company.

### **Global Disclosure System of Environmental Reporting (CDP) >>**

CDP is a centralized global disclosure system for climate, water and forests. Its data feeds other important stakeholders like ratings agencies and is relied upon by global investors.

### **Task Force on Climate-Related Financial Disclosure (TCFD) >>**

Investors prefer TCFD because it focuses on governance and climate risk, helping them understand in different climate scenarios, the potential financial impacts to your company.

**Take time to review these and other frameworks, so you can start bringing your authentic ESG voice into sharper focus.**





## 2 Segment messaging to specific audiences

Too many companies put all their eggs into one basket:  
The annual corporate sustainability report.

But authentic ESG storytelling involves crafting more targeted stories to your different audiences throughout the year.

While many companies are focused on investors and employees, it's important to consider supply-chain participants, ESG rating agents, and consumers as well. Each of these audiences bring unique needs and perspectives and it's advantageous to stay responsive. This is why we recommend distributing ESG content through multiple channels such as the proxy, annual report, intranet and social media.







## A GOOD PLACE TO START

# The corporate sustainability summary

These shorter communications can provide a more casual, high-level overview of your company's program and the underlying strategy behind it. A typical summary may include data tables with associated narrative along with quantitative metrics on topics you believe are material to the company.

Next, consider creating topic-specific reports, which offer more granular analyses of your company's management and overall ESG program. These reports often include choice content from the SASB, CDP and TCFD.

Placement and ePresentment are also important to consider. Your story should always be easy to find and navigate, so readers can easily access content that matters to them (this includes honing web search optimization).





## 3 Drive engagement using your entire marketing arsenal

ESG storytelling is all about engagement.

And effective engagement requires multiple touchpoints throughout the year. Your stakeholders are looking for evidence that managing ESG risk and identifying opportunity is integrated into your overall strategy and operations. So, you can't just wait until proxy season to make a connection.

Also consider taking advantage of the emerging ESG data services that allow you to monitor and measure your communication effectiveness and progress. The Broadridge ESG Dashboard is an example of this, allowing you to compare your company's ESG ratings relative to peers, your industry and other companies, leveraging dozens to hundreds of rating sources.

A marketing approach to ESG storytelling should involve all of your tools: social media, paid search, email and other digital communications. The goal is to own your narrative. And for that you need to amplify your story across multiple channels and touchpoints.





## A GOOD PLACE TO START

# Accurate shareholder data

Effective engagement means targeted messaging in the channels your shareholders prefer. But which message is relevant to which audience? And how do you know their preferences?

Data makes the difference. The right data insights can empower you to connect with shareholders with the right message at the right time. We can help.

Broadridge's vast network of share ownership data offers issuers unprecedented insight into one's shareholder base, voting habits, demographics and communication delivery preferences. We provide visibility into key industry trends along with granular data right down to specific shareholder segments.

Actionable shareholder data enables you to cultivate a strong social media and ad presence. These tools are useful during targeting and special events, such as proxy season. For example, you can incorporate targeted ads into your larger proxy solicitation strategy, helping to drive participation and shape the outcomes you want. This approach may prove especially effective for non-listed issuers that can't rely so heavily on brand recognition or institutional investors.



SEE THE LATEST TRENDS



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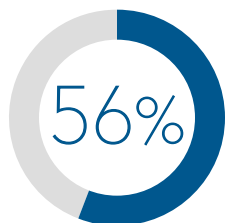


# Five Tools

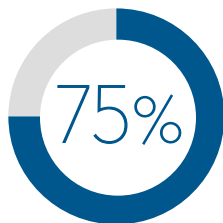
- 1 Choose a Framework >
- 2 Segment Messaging >
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## Trends to watch

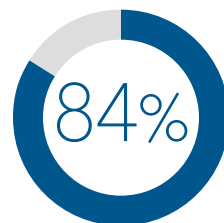
As digital adoption accelerates, you need to meet shareholders where they are—on their terms. The 3rd Annual Broadridge 2021 CX Insights Study surveyed 3,000 adults in North American respondents to uncover the most important trends.



**56% of consumers agree:** The COVID-19 pandemic has fundamentally changed how they communicate and engage with companies—for good.



**75% switched** at least one bill to paperless last year.



**84% expect** companies to make it easy for them to interact across print, digital and other channels.

It's not just younger groups. Boomers are thinking digital too.

### MILLENNIALS



### GEN X





















### BABY BOOMERS



% engaging digitally in a new way for the first time since the start of the pandemic

Paper remains resilient, however, underscoring the importance of seamless omni-channel engagement.

Preferred channels for <b>RECEIVING</b> communications			Preferred channels for <b>ENGAGING</b> with companies		
MILLENNIALS	GEN X	BABY BOOMERS	MILLENNIALS	GEN X	BABY BOOMERS
1  Email	1  Email	1  Email	1  Email	1  Email	1  Email
2  Text Message	 Physical Mail	 Physical Mail	2  Website	2  Website	2  Physical Mail
3  Phone	 Text Message	 Text Message	3  Text Message	3  Text Message	3  Phone



NEXT TOOL







## 4 Transform your next proxy experience

As investors increasingly rely on digital devices, issuers are turning to design and digital platforms to facilitate shareholder engagement and ESG storytelling.

Impactful design helps you get key messages in front of the reader, enabling you to communicate your ESG story quickly and effectively. In the 2020 Proxy Season:



97%

of voted shares were  
cast electronically



3M+

retail positions were  
voted on mobile devices

### The best tools to accelerate digital: Print and mail

Although it might seem counterintuitive, an effective digital experience starts with your paper mailing. You need an eye-catching proxy that gets noticed and stands on its own. The paper mailing, then, serves as the bridge to a transformative digital experience.



PROXY TIPS



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# Five Tools

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## A GOOD PLACE TO START

### Enhanced paper proxies

**Picture this:** Your investors receive a professionally designed proxy statement, replete with your branding and colors, photos, key financial and a teaser to your ESG story.

A QR code engages investors—linking them to a dedicated digital microsite where they'll find interactive ESG content, charts, graphs, data and even video messages that help humanize your board. From this digital proxy experience, they can easily access ProxyVote.com to vote their shares.

It's a seamless, connected experience from start to finish. And it's already a reality for many brands committed to authentic ESG storytelling.



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A QR code links them to a dedicated digital microsite.



The microsite has interactive ESG content, charts, data and video.



From the microsite, investors access ProxyVote.com to vote.



ESG MESSAGING



NEXT TOOL





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## Once-a-year communications won't enable you to own your ESG narrative.

Focus on year-round engagement and look for ways to incorporate your ESG narrative into your overall communication and disclosure strategy.

Every touch represents an opportunity to connect with shareholders:

- Press releases
- Investor decks
- Earnings calls
- Regulatory disclosures
- Product marketing
- Proxy statements
- Other corporate communications

There are countless ways to reach consumers. Consider Amazon's latest TV commercials, which feature their "Climate Pledge" to reach net zero carbon emissions by 2040. These ads are effective because they showcase Amazon's unique strengths (innovation and logistics) while also reinforcing their ESG storytelling (solar power, all-electric delivery fleet, etc.).

Five ways omni-channel communications can make an impact



Enable smarter, data-driven engagement



Meet shareholders where they are—in the channels they prefer



Accelerate digital adoption



Reduce overall print costs



Strengthen ESG credibility when you minimize paper waste and downsize your carbon footprint



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## 5 Take your annual meeting virtual

Broadridge is on track to host well over 2,000 Virtual Shareholder Meetings in 2021. A virtual platform enabled nearly 100,000 people to attend in 2020, many first-time retail shareholders.

A recent Global IR survey found similar patterns, showing that across the industry adoption of VSMs translated into greater retail shareholder attendance. Virtual meetings are much easier to attend, so issuers can reach more shareholders more easily.

Along with the convenience and cost-savings, our clients also found that VSMs enable incredibly effective investor engagement. Live video lets you put a face to the board and gives management and directors a chance to showcase ESG achievements directly.





## A GOOD PLACE TO START

# The Broadridge Virtual Shareholder Meeting (VSM) Platform

When it comes to corporate governance and your annual shareholder meeting, we're mindful of the pressures you face.

Technology shouldn't be one of them. Our innovative, modular, and customizable Virtual Shareholder Meeting platform gives you the tools you need to create the meeting you want.

Provide attendees easy access to key documents and communications, including the annual proxy, shareholder report, and sustainability report. Right upon login shareholders can access all of your ESG assets all in one place.

In addition, your team will enjoy complete meeting management, including a roles-based organizer toolset that lets users display documents, screenshares, videos, and speakers in whatever arrangement they prefer. Recent enhancements enable issuers to easily manage, organize, and sort shareholder questions in real time. There are also several options to customize the Q&A experience.

Taken together, the newest platform gives users more control over speakers, questions and the flow of the event, while helping to maximize transparency and participation for shareholders.



## Optimize your ESG story

Given the increasing interest in ESG factors, it's more important than ever to implement a strategic ESG disclosure and engagement program.

Successful companies articulate ways ESG factors impact their long-term strategy. And there's a competitive advantage to doing so. Risks are compounded the longer your company delays. Broadridge can help. Our solutions are innovating the shareholder experience and digitizing communications to maximize impact.

In partnership with Third Economy, a leading research and ESG advisory firm, we deliver an end-to-end

process that helps you identify measurable milestones, benchmark your accomplishments, and shape your ESG narrative. From there, we'll empower you to develop an engaging experience to showcase that narrative, then execute an omni-channel communications strategy to achieve the outcomes you want.

Whether you are just getting started or well into your ESG efforts, we've got the roadmap you need to advance your ESG capabilities.

**We can help. Connect today for your 30-minute consultation.**  
**Contact: [joseph.vicari@broadridge.com](mailto:joseph.vicari@broadridge.com)**

Broadridge, a global Fintech leader with over \$4.5 billion in revenues, provides the critical infrastructure that powers investing, corporate governance and communications to enable better financial lives. We deliver technology-driven solutions that drive business transformation for our clients and help them get ahead of today's challenges to capitalize on what's next.

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